

INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2009

- from April 1, 2009 to September 30, 2009 -

SHINKO ELECTRIC INDUSTRIES CO., LTD.

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Interim Financial Statements

The Financial Statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

Notes: 1. U.S. dollar amounts in this report are converted from yen, for convenience only, at the rate of 90.21 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2009.
2. The Company's fiscal year runs from April 1 through March 31.

1. Consolidated Financial Highlights

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	2009	2008	2009
Net sales	59,045	95,070	654,539
Net income	532	3,255	5,903
Per share (Yen/U.S. Dollars)	3.94	24.10	0.043
Cash dividends per share (Yen/U.S. Dollars)	4.0	4.0	0.044
Total assets	164,401	192,801	1,822,430
Net assets	132,903	143,607	1,473,267
Sales by product category			
IC Lead Frames	10,168	13,605	112,717
IC Packages	43,295	72,338	479,939
Hermetic Seal Parts	5,580	9,124	61,865
Others	1	1	16
Total	59,045	95,070	654,539

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2009	As of Mar. 31, 2009	As of Sep. 30, 2009
Assets			
Current assets:			
Cash and time deposits	13,746	17,000	152,383
Notes and accounts receivable-trade	33,753	22,812	374,163
Marketable securities	7,171	3,173	79,494
Merchandise and finished goods	699	551	7,750
Work in process	2,992	2,396	33,177
Raw materials and supplies	1,041	1,066	11,541
Money deposited	33,600	31,430	372,464
Other current assets	3,813	5,492	42,269
Allowance for doubtful accounts	(836)	(845)	(9,272)
Total current assets	<u>95,980</u>	<u>83,077</u>	<u>1,063,971</u>
Noncurrent assets			
Property, plant and equipment	60,386	63,782	669,396
Intangible assets	1,086	1,250	12,047
Investments and other assets	6,947	8,155	77,015
Total noncurrent assets	<u>68,420</u>	<u>73,188</u>	<u>758,458</u>
Total assets	<u><u>164,401</u></u>	<u><u>156,266</u></u>	<u><u>1,822,430</u></u>

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2009	As of Mar. 31, 2009	As of Sep. 30, 2009
Liabilities			
Current liabilities:			
Accounts payable-trade	17,475	8,066	193,723
Short-term borrowings, including current portion of long-term debt	600	600	6,651
Other current liabilities	8,910	10,332	98,777
Total current liabilities	<u>26,986</u>	<u>18,999</u>	<u>299,152</u>
Long-term liabilities	<u>4,511</u>	<u>4,307</u>	<u>50,010</u>
Total liabilities	<u>31,498</u>	<u>23,306</u>	<u>349,163</u>
Net assets			
Shareholders' equity:			
Common stock	24,223	24,223	268,518
Capital surplus	24,129	24,129	267,482
Retained earnings	87,433	87,441	969,221
Treasury stock	(91)	(91)	(1,019)
Total shareholders' equity	<u>135,694</u>	<u>135,702</u>	<u>1,504,201</u>
Valuation and translation adjustments:			
Unrealized gains on securities	162	124	1,799
Foreign currency translation adjustments	(2,952)	(2,867)	(32,734)
Total valuation and translation adjustments	<u>(2,790)</u>	<u>(2,742)</u>	<u>(30,934)</u>
Total net assets	<u>132,903</u>	<u>132,959</u>	<u>1,473,267</u>
Total liabilities and net assets	<u>164,401</u>	<u>156,266</u>	<u>1,822,430</u>

(2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2009</u>	<u>2008</u>	<u>2009</u>
Net sales	59,045	95,070	654,539
Operating costs and expenses:			
Cost of goods sold	51,421	81,775	570,018
Selling, general and administrative expenses	5,704	7,344	63,238
	<u>57,126</u>	<u>89,119</u>	<u>633,256</u>
Operating income	1,919	5,950	21,282
Other income (expenses):			
Interest received	142	249	1,583
Interest charges	(17)	(3)	(197)
Other, net	(1,126)	(646)	(12,484)
	<u>(1,001)</u>	<u>(400)</u>	<u>(11,098)</u>
Income before income taxes and minority interests	918	5,550	10,184
Income taxes:			
Current	101	3,273	1,126
Deferred	284	(978)	3,153
	<u>386</u>	<u>2,294</u>	<u>4,280</u>
Net income	<u>532</u>	<u>3,255</u>	<u>5,903</u>

(3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2009</u>	<u>2008</u>	<u>2009</u>
Cash flows from operating activities	10,804	21,758	119,768
Cash flows from investing activities	(6,848)	(12,252)	(75,916)
Cash flows from financing activities	(616)	(2,951)	(6,835)
Effect of exchange rate changes on cash and cash equivalents	(401)	453	(4,450)
Net increase (decrease) in cash and cash equivalents	2,937	7,008	32,565
Cash and cash equivalents at beginning of year	50,776	41,885	562,866
Cash and cash equivalents at end of the half year	53,713	48,893	595,432

Corporate Outline

1. Outline (as of September 30, 2009)

Name: SHINKO ELECTRIC INDUSTRIES CO., LTD.

Date of Establishment: September 12, 1946

Head Office: 80, Oshimada-machi, Nagano-shi, 381-2287 Japan

Phone: (81-26)283-1000 Facsimile: (81-26)284-8861

Major Business Lines:

Manufacturing and sales of Lead Frames, Plastic Laminated Packages (PLPs),
Glass-to-Metal Seals, Surge Arrester and Precision Contact Parts
IC Assembly

Number of Employees: 4,112 (Consolidated: 4,880)

Plants & Facilities:

Kohoku Plant
Wakaho Plant
Takaoka Plant
Arai Plant
Kyogase Plant
SHINKO R&D Center
Kurita Sogo Center

Sales Office Network:

(Japan)

Tokyo, Osaka, Sendai, Nagano, Nagoya, Oita, Fukuoka

(Overseas)

Frankfurt

Pittlerstrasse 47, 63225 Langen, Germany

Phone: (49-6103)690145 Facsimile: (49-6103)690165

Shanghai

Room 2310, Shanghai Ruijin Building, 205 Maoming South Road,
Shanghai, 200020, China

Phone: (86-21)6445-0898 Facsimile: (86-21)6445-1228

Chengdu

Room 507, 5/F, Sheraton Chengdu Lido Hotel No. 15, Section 1,
Ren Min Zhong Road, Chengdu, Sichuan 610015, China
Phone: (86-28)8676-8288 Facsimile: (86-28)8676-8766

Manila

9th Floor, Unit No.905, Tower One, Ayala Triangle, Ayala Avenue,
Makati-city, Philippines
Phone: (63-2)848-5169 Facsimile: (63-2)848-5145

Subsidiaries:

(Japan)

SHINKO PARTS CO., LTD.
SHINKO TECHNOSERVE CO., LTD.

(Overseas)

SHINKO ELECTRONICS (MALAYSIA) SDN. BHD.
Lot PT717A, Jalan Serendah 26/17, Seksyen 26, 40400 Shah Alam,
Selangor Darul Ehsan, Malaysia
Phone: (60-3)5191-4902 Facsimile: (60-3)5192-4912

KOREA SHINKO MICROELECTRONICS CO., LTD.
35 Sunpyung-ri, Seo-myun, Suncheon-city, Jollanam-do,
540-813 Republic of Korea
Phone: (82-61)753-8801 Facsimile: (82-61)753-8804

SHINKO ELECTRIC INDUSTRIES (WUXI) CO., LTD.
28-9, Changjiang South Road, Wuxi National Hi-tech Industrial Development Zone,
Wuxi, Jiangsu, 214028, China
Phone: (86-510)8534-3008 Facsimile: (86-510)8534-3180

SHINKO ELECTRIC AMERICA, INC.
2880 Zanker Road, Suite 204, San Jose, CA 95134 U.S.A.
Phone: (1-408)232-0499 Facsimile: (1-408)955-0368

KOREA SHINKO TRADING CO., LTD.
Hyundai Venture Building 1223, 713 Suseo-dong, Kangnam-ku,
Seoul, 135-884 Republic of Korea
Phone: (82-2)538-2851 Facsimile: (82-2)451-6714

TAIWAN SHINKO ELECTRONICS CO., LTD.

5F-H, Hung Tai Center, 168 Tun Hua North Road, Taipei, Taiwan

Phone: (886-2)2719-5655 Facsimile: (886-2)2719-5650

SHINKO ELECTRONICS (SINGAPORE) PTE. LTD.

133 New Bridge Road, #23-01/02, Chinatown Point Singapore 059413

Phone: (65)6-225-3411 Facsimile: (65)6-225-8984

Affiliates:

SHINKO MICROELECTRONICS (THAILAND) CO., LTD.

252/98 19th Floor, Muang Thai Phatra Office Tower 2,

Ratchadapisek Road, Huaykwang, Bangkok 10320, Thailand

Phone: (66-2)693-3300 Facsimile: (66-2)693-3301

2. Shareholders' Data (as of September 30, 2009)

Total Number of Authorized Shares: 540,000,000 shares

Total Number of Shares Issued: 135,171,942 shares

Paid-in Capital: ¥ 24,223,020,480

Number of Shareholders: 12,333

Principal Shareholders:

Name	Number of shares held (thousands)	Ownership ratio (%)
Fujitsu Limited	67,587	50.00
Japan Trustee Services Bank, Ltd. (Trust Accounts)	8,973	6.64
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,389	4.73
Japan Trustee Services Bank, Ltd. (Trust Account 9)	3,008	2.23
JP Morgan Chase Bank 385078	2,342	1.73
State Street Bank And Trust Company 505225	1,891	1.40
The Hachijuni Bank, Ltd.	1,836	1.36
National Mutual Insurance Federation of Agricultural Cooperatives	1,336	0.99
Asahi Mutual Life Insurance Company	1,239	0.92
Trust & Custody Services Bank, Ltd. (Trust Account B)	961	0.71

Stock Exchange Listing: The First Section of The Tokyo Stock Exchange

3. Board of Directors and Auditors (as of September 30, 2009)

President Mamoru Kuroiwa

Directors and Executive Managing Corporate Officers
Akira Fujimoto
Fumio Kuraishi

Directors and Managing Corporate Officers
Akihiko Murata
Koichi Ishizaka

Standing Auditor Masaji Yokoyama

Auditors Junichi Murashima
Masao Sekine

4. Corporate Officers (as of October 21, 2009)

Managing Corporate Officers Yoshihiko Ogawa
Kunihiko Imai

Senior Corporate Officers Kazuharu Iguchi
Seizo Mitsui
Yoshihiro Asano
Toshihiko Ogiwara

Corporate Officers Takahiro Kiyono
Takahiro Ichimura
Hiroshi Hasebe
Takato Kikuchi
Takashi Obinata
Katsuo Minamisawa
Masashi Obinata
Mitsuharu Shimizu
Toshihisa Yoda
Tadashi Kodaira
Hidenori Takayanagi
Haruo Sorimachi